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A HISTORY OF
THE ILLINOIS MANUFACTURERS'
ASSOCIATION

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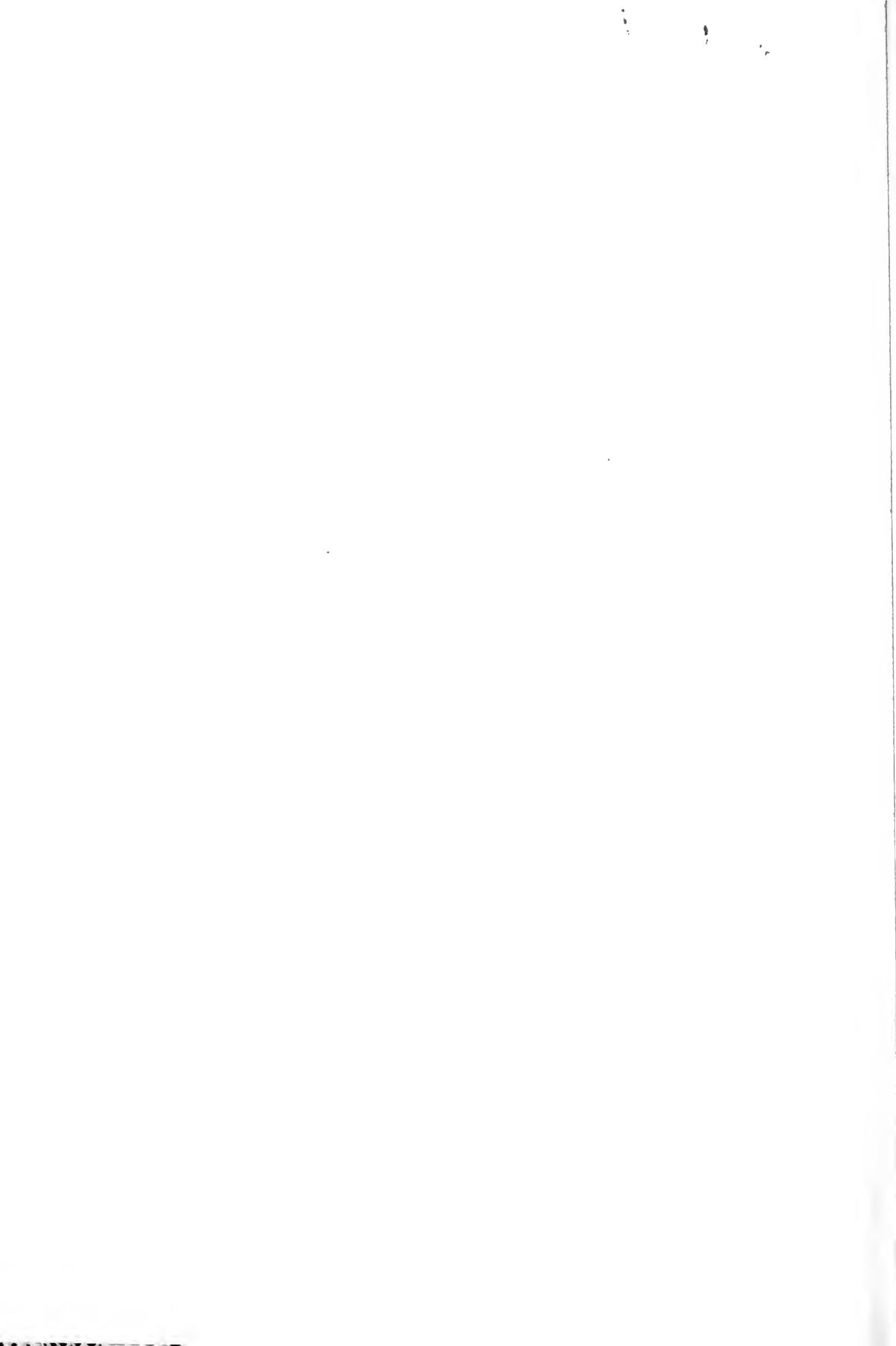
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A HISTORY OF THE ILLINOIS MANUFACTURERS' ASSOCIATION

The appearance of the manufacturers' association in the United States is to be explained on the same grounds and in much the same terms as is the rise of labor unions. Their development was a function of the industrial revolution, and the co-incident divergence of interest between capital and labor that became more and more apparent in the closing years of the nineteenth century.

Organizations of employers in the United States first made their appearance in the fifties of the last century. By that date, the master bakers, tailors, and printers of New York, Philadelphia, and Baltimore all had various associations, formed largely in an effort to resist the demands of their employees upon them.¹ The movement spread as the labor union spread. In 1863, an Association of Iron Founders and Machine Builders in Ohio and Kentucky was declaiming against the "pretensions of the Iron-Moulders' Union,"² while in 1864, an inter-industrial group in Detroit charged that their employees were "disrupted and could not work freely" because of the "work of labor agitators" among them.³ In 1872, four hundred employers in New York organized to secure concerted action for the maintenance of the ten hour system.⁴

Meanwhile the principle of group action was being developed on a national scale. The Writing Paper Manufacturers' Association made its appearance in 1861, the National Association of Wool Manufacturers and the American Iron and Steel Association in 1864.⁵ Dozens of trade associations were organized during the

¹ John R. Commons and Associates, The History of Labor in the United States (New York, 1918-1936), II, 50.

² Ibid., p. 52.

³ Detroit Tribune, July 25, 1864, p. 1.

⁴ Commons, op. cit., II, 31; Chicago Workingman's Advocate, November 23, 1872, p. 1.

⁵ National Industrial Conference Board, Trade Associations, Their Economic Significance and Legal Status (New York, 1925), pp. 7-9.

two decades following the Civil War.⁶ Most of these at first had for their purpose the influencing of tariff legislation,⁷ although occasionally they adopted a belligerent attitude toward organized labor. Thus the Stove Founders' National Defense Association between 1887 and 1891 fought a series of battles with the International Iron-Moulders' Union, with the object of defeating the closed shop.⁸ The decades between 1880 and 1900, however, were ones of growing conflict and bitterness between organized labor and organized capital. As the Knights of Labor rose to power, they struck at the dominant industrial groups in a series of great strikes leading to much unrest and conflict.

Nowhere was the sharpened conflict between capital and labor more acute than in the Chicago area. By 1890, Illinois was the third industrial state in the Union, and as such was bound to experience its full share of the struggle between capital and labor. Moreover, the problem was complicated by a strong socialist movement within the ranks of Illinois labor. Thus, when in 1879, the Chicago Typographical Union was organized to campaign for an eight hour day in the printing industry, the local Socialist Labor Party played a prominent part in the movement.⁹ The demands of this group shortly brought about the formation of the Chicago Typothetae Association, an employers' group which strenuously fought the demands of unionized labor until the turn of the century.¹⁰ In 1886 the Chicago packers formed an employers' association, largely for the purpose of re-instating the ten hour day which a local Knights of Labor chapter had succeeded in replacing with an eight hour limitation.¹¹ Driven by the same common pur-

⁶ See Ibid., pp. 327-328, for a list of the numerous associations formed in this period.

⁷ E. E. Schattschneider, Politics, Pressures and the Tariff (New York, 1935), pp. 186-201. A principal purpose was also the control of marketing agreements and the prevention of price-cutting. See Emmet Hay Naylor, The Value of Trade Associations (New York, 1918), p. 21.

⁸ Selig Perlman, History of Labor in the United States (New York, 1917), p. 144.

⁹ Emily Clark Brown, Book and Job Printing in Chicago (Chicago, 1931), pp. 35-75; Perlman, op. cit., pp. 51-52.

¹⁰ Brown, op. cit., pp. 55-75.

¹¹ Perlman, op. cit., pp. 97-98.

pose of resistance to the demands of labor, the Amalgamated Building Trades Council was formed in 1888.¹²

The depth and intensity of this conflict can best be recalled by a reference to the great strikes of 1886, in which three hundred fifty thousand men were involved in the Chicago area, and which led to the Haymarket riots. The years following that tragedy were marked by the rise of much bitter hatred and anti-union sentiment among the employers of Chicago.¹³ This attitude was certainly not in the least diminished by the fact that various local unions were instituting numbers of successful strikes.¹⁴ The demands of organized labor, moreover, were growing more and more aggressive. The Chicago Convention of the American Federation of Labor in 1893 in which T. J. Morgan and other leading Illinois labor leaders played principal parts, demanded "the collective ownership of all the means of production and distribution."¹⁵

The precipitating factor in the organization of a state manufacturers' association in Illinois came in 1893. The General Assembly, inspired by pressure from the State Federation of Labor, Jane Addams and Florence Kelly of Hull House, and various Chicago trade union groups, in June enacted a statute limiting the hours of labor of women to eight hours per day.¹⁶ The response was immediate. In September, a score of prominent Chicago industrialists, led by William B. Conkey of the publishing firm bearing that name,¹⁷ met in the Medinah Temple and organized the Illinois Manufacturers' Association, for the specific purpose of destroy-

¹² Royal E. Montgomery, Industrial Relations in the Chicago Building Trades (Chicago, 1927), pp. 14-28.

¹³ Graham Taylor, Pioneering on Social Frontiers (Chicago, 1930), pp. 117-130.

¹⁴ Illinois Commissioner of Labor, Report, 1896 (Springfield, 1896), I, 236-258.

¹⁵ Eight Hour Herald, May 10, 1894, p. 1.

¹⁶ State of Illinois, Laws of Illinois, 1893 (Springfield, 1893), p. 101; John M. Glenn, "Early History of the Illinois Manufacturers' Association" (MS, Chicago, 1925), chap. 1, p. 12.

¹⁷ Illinois Manufacturers' Association, "Minutes of Meetings, 1893-1894" (MS, Chicago, 1894), p. 1. Other principal men present were August Kuh, a leading clothing manufacturer, George E. P. Dodge, of Dodge, Palmer, and Company, and J. E. Tilt, of F. E. Tilt and Company, an important shoe manufacturer of the state.

ing the law. In the eyes of these industrialists the law was an "outrage on the liberties of the working women of this state which deprives them of the liberty of making a contract and robs them of one-fifth of their earnings."¹⁸ All offers of compromise were refused,¹⁹ and through the member-firm of Ritchie and Company, paper box manufacturers, a suit was carried to the Illinois Supreme Court, which in 1894, declared the law unconstitutional.²⁰

The Association had won its first great victory, but as yet it lacked any continued purpose for existence. During the next few years, it languished, and was only restored to a vigorous career in 1897, when the legislature enacted a second piece of "obnoxious legislation." This time it was a state fire escape law, which among other stipulations, required all industrial buildings of two or more stories in height to be equipped with one "automatic metallic fire escape device for every twenty-five persons."²¹

According to the proponents of the act, the statute had been passed at the insistence of fire insurance underwriters.²² Conkey and Levy Mayer, the latter newly retained as attorney for the Association, had a different story to tell. They insisted that the bill had been lobbied through the legislature by a corrupt "ring" of fire escape manufacturers headed by one Gus Nohe, recently organized to manufacture a special patented ratchet-and-chain fire escape device. The Association contended in addition that the price asked for the fire escape was exorbitant, and that it was absolutely worthless.²³ Manufacturers throughout Illinois were urged to ignore the existence of the statute, and so widespread was the movement of resistance that the factory

¹⁸ Letter of J. E. Lieb, Secretary Illinois Manufacturers' Association to Mrs. Thomas J. Morgan, "Thomas J. Morgan Scrap-book" (MS, University of Chicago Library).

¹⁹ Eight Hour Herald, February 10, 1894, p. 3.

²⁰ Ibid., February 25, 1894, p. 1; Ibid., April 25, 1894, p. -; Ritchie v. People, 115 Illinois 98.

²¹ State of Illinois, Laws of Illinois, 1897 (Springfield, 1897), p. 222.

²² Earl R. Beckner, History of Illinois Labor Legislation (Chicago, 1927), p. 225.

²³ For the Association's contentions see Glenn, op. cit., chap. 1, p. 2.

inspector reported the law to be unenforceable.²⁴ At the same time John M. Glenn, newly appointed permanent secretary, began a campaign on the floor of the legislature which in 1899, resulted in complete repeal of the obnoxious provision.²⁵

This achievement was the point of departure for a general revival and growth of the Association. In 1897 its membership included but fifty Illinois concerns; at the end of 1898 it included over two hundred; in 1904 it embraced seven hundred and was still growing rapidly.²⁶

A principal explanation for this renaissance was to be found in the person of the new permanent secretary. In his methods and philosophy John M. Glenn personified all that the Illinois Manufacturers' Association stood for. The man was an excellent salesman, and it was his persistent drives for membership and his ability to convince the average industrialist of the worth of the Association which expanded his organization and gave it flesh and blood.²⁷ Furthermore, Glenn was passionately convinced of what he later called "the manufacturers' cause."²⁸ A fighter rather than a compromiser, a complete partisan in methods and spirit, it was he who first realized that the real future of the Association lay in resisting the pretensions of organized labor upon the floor

²⁴ Illinois State Factory Inspector, Annual Reports, 1898 (Springfield, 1898), p. 6. Later the Association boasted that its campaign of resistance had made the law absolutely unenforceable in Illinois. Illinois Manufacturers' Association, Bulletin: The Value of Organization (May, 1902).

²⁵ State of Illinois, Laws of Illinois, 1899 (Springfield, 1899), p. 220. Legal proceedings carried on by Attorney Levy Mayer in an attempt to have the statute upheld, failed when the Illinois Supreme Court in 1901 ruled that the statute had been constitutional. Ames v. Ayer, 192 Illinois 601.

²⁶ Illinois Manufacturers' Association, Bulletin: Membership (May, 1904). The Association had 1,100 members by 1909, and reached a high of some 3,000 members by 1928. See Illinois Manufacturers' Association, Annual Reports, 1909, p. 1; Ibid., 1928, p. 1.

²⁷ John M. Glenn, Some Suggestions on How to Secure Members and Their Interest (Chicago, 1925).

²⁸ William Butterworth, president of Deere and Company, and for many years a prominent official of the Association once summed up Glenn's attitude toward his charge by paraphrasing Stephen Decatur's famous toast: "The Illinois Manufacturer: in his struggles with his other interests may he always be in the right, but the Illinois Manufacturer, right or wrong." Manufacturers' News February 23, 1924, p. 5.

of the state legislature. The cause of the manufacturer against the "menace" of the labor union; this was the great issue around which Glenn united his Association and gave it continuity and purpose.²⁹

The Association did not stand alone in its new attitude toward the labor union, but rather it partook of the growing antagonism toward organized labor developing everywhere in the United States after 1900. The closing years of the nineteenth century had witnessed some decline in this sentiment, but it now revived in full strength. The National Association of Manufacturers, organized in 1895 to lobby for the high tariff, underwent a pronounced change in attitude and purpose in 1903 and 1904; henceforth it dedicated itself to the fight upon the union.³⁰ In 1902, the American Anti-Boycott Association was organized; its primary and avowed purpose was to attack the strike and its concomitants, the sympathetic strike, picketing, and the boycotting activities of labor unions.³¹ The Citizens' Industrial Association of America was formed in 1903 for a like purpose.³² At the same time nearly every city and manufacturing center in the nation developed its "citizen's alliance," in reality an employers' association organized to fight union labor on a local scale.³³

Once more, the conflict in the Chicago area was particularly acute.³⁴ In 1903, the employees of the Kellogg Switchboard Company went on strike in an effort to gain full recognition of their local union, and the inauguration of the closed shop. When the company refused to yield, the strike quickly spread

²⁹ John M. Glenn, "Duties of a Secretary to a Manufacturers' Association" (MS, Chicago, 1920).

³⁰ A. G. Taylor, Labor Policies of the National Association of Manufacturers (Urbana, 1927), pp. 14-16; National Association of Manufacturers, Proceedings of Eighth Annual Convention, 1903 (New York, 1903), pp. 52-62.

³¹ Clarence E. Bonnett, Employers' Associations in the United States (New York, 1922), pp. 21-22.

³² Ibid., p. 24.

³³ Isaac Marcosson, "The Fight for the Open Shop," World's Work, XIX (December, 1905), 6951-6959; Commons and Associates, op. cit., IV, 139-141.

³⁴ William English Walling, "Can Labor Union be Destroyed?" World's Work, VIII (May, 1904), 4755-4758.

among the teamsters of Chicago, who refused to handle freight for the Kellogg Company. Rioting, slubbings, and sporadic violence at length became the order of the day.³⁵ At this point, the Chicago Employers' Association and the Illinois Manufacturers' Association took definite steps to break the strike.³⁶ While Glenn, President B. E. Eckhart and the membership at large forcibly reminded the city administration of Carter Harrison of its obligation to preserve order,³⁷ Levy Mayer went before the Circuit Court of Judge Henry Holman and obtained an injunction to restrain the National Teamsters' Union from molesting or interfering with the trucking services of the company.³⁸ Acting in concert with the membership of the Chicago Employers' Association, Glenn, with the advice of directors John E. Wilder, Martin Madden, and W. C. Ritchie, placed the trucking facilities of its own membership at the disposal of the Kellogg Company.³⁹ These measures effectively broke the back of the strike. Levy Mayer wrote a triumphant sequel to the Association's venture in 1904 when he obtained a series of convictions of the strikers on charges of criminal conspiracy. In handing down their decisions, Judge Adams, Windes, and Ball of the Appellate Court held that the closed shop was "an illegal infringement of contract rights guaranteed by common law and the laws and constitution of the state of Illinois."⁴⁰

In 1905, occurred the great Chicago Teamsters' strike, in which the Association again played a decisive role. The strike

³⁵Chicago Record-Herald, May 20, 1903, p. 2; Ibid., May 21, 1903, p. 2; Ibid., June 10, 1903, p. 3.

³⁶Illinois Manufacturers' Association, Annual Reports, 1903, p. 3; Manufacturers' News, December 14, 1922, p. 30. The guiding spirit of the Chicago Employers' Association was Frederick W. Job, of Marshall Field and Company. The organization was at this time a more influential body than the Illinois Manufacturers' Association.

³⁷Chicago Record-Herald, July 11, 1903, p. 1; Ibid., July 18, 1903, p. 1. Police Commissioner Daniel O'Shea granted police protection at the insistence of Levy Mayer.

³⁸Ibid., July 21, 1903, p. 7.

³⁹Illinois Manufacturers' Association, Annual Reports, 1903, p. 7; Chicago Record-Herald, July 20, 1903, p. 1.

⁴⁰Illinois Manufacturers' Association, The Closed Shop: The Labor Trust Scored by the Appellate Court of Cook County (Chicago, 1903).

which began in March as a dispute over the closed shop between Montgomery Ward and Company and the Chicago Garment Workers' Union, quickly involved the Chicago Teamsters' Union in a sympathetic walkout.⁴¹ By May, shootings, slubbings, mob fights, and riots were common occurrences. Once more Glenn and Mayer co-operated with the Chicago Employers' Association to end the conflict. An Employers' Teaming Company was hurriedly organized to perform trucking service for firms affected by the walkout, while the two organizations raised one hundred thousand dollars among their membership to act as a strike-breaking fund. Mass meetings effectively influenced public opinion in favor of the employers, while Mayer at the same time obtained an injunction in Judge J. H. Kohlstadt's court restraining the strikers from interference with the Employers' Teaming Company.⁴² The strike collapsed in June, and ended in the indictment for conspiracy of Daniel O'Shea and Charles Dodd of the Chicago Teamsters' Union.⁴³

These conflicts with unionism strengthened the spirit and resources of the Association immensely. It was on the floor of the General Assembly, however, that the Association found a more permanent field of conflict with organized labor. Between 1907 and 1911, Glenn and his associates fought three major legislative battles with the State Federation of Labor. All of them were eventually lost, but out of the struggle came an Illinois Manufacturers' Association matured in methods and philosophy.

In 1907, Edgar T. Davies, Illinois state factory inspector, convinced that the industrial accident record of Illinois industry was disgraceful as compared with other jurisdictions, brought about the introduction in the General Assembly of a comprehensive factory inspection act.⁴⁴ The bill, prepared in collaboration with Professor Charles R. Henderson of the University of Chicago, had the support of Ernst Freund, John R. Commons,

⁴¹ Chicago Record-Herald, April 6, 1905, p. 7.

⁴² Ibid., April 26, 1905, p. 1; Ibid., April 28, 1905, p. 1.

⁴³ Ibid., May 18, 1905, p. 1; Ibid., May 20, 1905, p. 1. Ibid., July 5, 1905, p. 3; Illinois Manufacturers' Association, Annual Reports, 1905, p. 15; John R. Commons, "Chicago Teamsters' Strike," Journal of Political Economy, VIII (September, 1905), 537.

⁴⁴ Chicago City Club Bulletin, February 17, 1909, p. 283; Graham Taylor, "Industrial Survey of the Month," Survey, XXII (July, 1909), 524.

Jane Addams, Edith Abbott, Mary McDowell, and Graham Taylor, as well as other leading public figures. Glenn nevertheless immediately launched an attack upon the measure. It was denounced as "unfair, unjust, and unAmerican," and its supporters were labelled "anarchists the police of the large cities are trying to suppress."⁴⁵ These tactics were successful, for the bill was defeated.

Apparently the Association recognized that legislation of this character could not long be postponed, for in 1908, it consented to co-operate in the appointment of a Governor's Commission to draft a new bill. Charles Piez of the Link-Belt Company, long a leading Illinois Manufacturers' Association industrialist, represented the Association on the commission.⁴⁶ The result introduced into the legislature in 1909 became law without opposition in June of that year. Ironically enough, its provisions were not markedly different from those of the 1907 measure.⁴⁷

Before this struggle closed, another had begun. Since the defeat of the women's eight-hour laws of 1893, no legislation limiting the working day of women had stood upon the books of the state of Illinois. In 1909, however, the United States Supreme Court handed down a decision declaring the Oregon ten-hour statute for women to be constitutional.⁴⁸ Inspired by this decision, the Women's trade Union League of Chicago, the Illinois State Federation of Labor,⁴⁹ and other labor groups, introduced a bill pro-

⁴⁵ Illinois Manufacturers' Association, Bulletin: Factory Inspection Legislation: To Manufacturers (Chicago, March 21, 1908); Illinois Manufacturers' Association, Annual Reports, 1907, pp. 3-4; Union Labor Advocate, June 1907, p. 3; Ibid., August, 1907, p. 3. The bill did not come to a vote in either house.

⁴⁶ Charities and the Commons, XXI (October, 1908), 119-120. Other Illinois Manufacturers' Association members of the board were P. A. Petersen, then president of the Illinois Manufacturers' Association, and Everett E. Baker, a Kewanee foundryman.

⁴⁷ Graham Taylor, "Making Peace to do Justice," Survey, XXII (July, 1909), 525-526; State of Illinois, Laws of Illinois, 1909 (Springfield, 1909), pp. 202-212; Illinois Manufacturers' Association, Annual Reports, 1909, p. 47.

⁴⁸ Muller v. Oregon, 208 U.S. 412.

⁴⁹ Bureau of Labor Statistics, Labor Legislation in the Forty-Sixth General Assembly (Springfield, 1909), pp. 15-16. Harold Ickes, attorney for the League, brought about the introduction of the bill through his friend, Clyde W. Jones of the senate.

viding that no females should be employed in any "manufacturing, mercantile, or mechanical establishment, laundry, hotel, or restaurant" for more than forty-eight hours in a week of six calendar days.⁵⁰

The Association immediately classified this bill as "dangerous," and Glenn bent every effort to its defeat. At a series of hearings held in April before the Senate Committee on Labor, he presented numerous Illinois manufacturers who asserted that the proposed statute would be "absolutely ruinous" to their enterprises. Scores of working girls were brought forward to testify that they opposed the measure, since it would limit their earning power. The bill was labelled "shrewdly planned class legislation" calculated "to work harm to our women employees by denying them the right to use their option in working overtime."⁵¹

It soon became apparent that the eight-hour statute could not pass, whereupon it was quietly dropped and a ten-hour bill brought forward. This the Association met with the same intransigence. An attempt was made to bring about its defeat by amending the bill to provide again for an eight-hour restriction in the belief that such a provision certainly could not pass.⁵² The Senate Judiciary Committee, nevertheless reported the bill to the floor, and after it had again been amended to a ten-hour measure, it was passed on May 20th, by a vote of 41-0.⁵³ The following week, after a desperate fight in the house of representatives, in which Glenn brought large numbers of manufacturers down to Springfield, the act passed the house.⁵⁴ It was promptly signed by the governor.

Although the Association attacked the new statute in the courts, it was ultimately unsuccessful. While a Cook County Cir-

⁵⁰ Ibid., p. 16.

⁵¹ Ibid., p. 18; Illinois Manufacturers' Association, Annual Reports, 1909, p. 43.

⁵² Illinois Bureau of Labor Statistics, op. cit., p. 20.

⁵³ Journal of the Illinois Senate, 1909, p. 1210.

⁵⁴ Journal of the Illinois House of Representatives, 1909, p. 1263; Illinois Bureau of Labor Statistics, op. cit., p. 21. See also the account of the passage of the law by Mary McDowell, "The Girls' Bill, A Human Proposition," Survey, XXII (July, 1909) 509-513. The text of the law may be found in the State of Illinois, Laws of Illinois, 1909, p. 212.

cuit Court presided over by Judge Tuthill declared the act in violation of due process of law,⁵⁵ his decision was reversed by the state Supreme Court in 1910, which followed the United States Supreme Court in holding such legislation constitutional.⁵⁶

While this battle was being lost, the lines for a third were forming. It had long been obvious that the old common law concepts sustained in industry were wholly inadequate for a modern industrial era. A governor's commission had recommended an automatic compensation law in 1905, and in 1907, an attempt had been made by Representative Dysert to secure the passage of such an act by the General Assembly.⁵⁷ The great Cherry Hill mine disaster of 1909, however, precipitated a strong public demand for the reform, a demand which as events demonstrated, was to make the enactment of a workmen's compensation law inevitable. In fact, President LaVerne W. Noyes and Secretary Glenn of the Association at this time concluded that they would lend their support to the movement in the legislature.⁵⁸

In March, 1910, the legislature, acting at the request of Governor Deneen, established a twelve man commission to study the whole problem of employer-liability laws.⁵⁹ Both labor and capital were represented, the latter through Charles Piez of the Link-Belt Company, P. A. Peterson, of Rockford, Illinois, and E. T. Bent, of Chicago, all directors of the Illinois Manufacturers' Association.⁶⁰ Because of a dispute among the representatives of organ-

⁵⁵ Survey, XXII (September, 1909), 842; Chicago Tribune, September 14, 1909, p. 6. The Association brought its action through W. C. Ritchie and Company, the same firm involved in the successful attack upon the eight-hour statute of 1893. The decision of Judge Tuthill was widely condemned in the press. See Chicago Federation of Labor, Bulletin: The Protection of the Health and Motherhood of the Working Women of Illinois (Chicago, 1909).

⁵⁶ Ritchie v. Wayman, 244 Illinois 509.

⁵⁷ Chicago City Club Bulletin, June 6, 1907, p. 145; W. F. Dodd, Administration of Workmen's Compensation (New York, 1936), p. 18.

⁵⁸ Illinois Manufacturers' Association, Annual Reports, 1909, p. 25.

⁵⁹ Journal of the Illinois Senate, 1909, p. 25; Journal of the Illinois House of Representatives, 1910, p. 317.

⁶⁰ Illinois Manufacturers' Association, Annual Reports, 1910, p. 35. Labor representatives on the commission were Presi-

ized labor on the commission over the comparative value of employer-liability laws as compared with workmen's compensation legislation, the commission was unable to make any official recommendation, but in an unofficial report a majority of the members asked for the passage of an automatic compensation statute, as well as removal of the old common law limitations on employer liability.⁶¹

Up to this stage in developments the Association had cooperated actively with the commission. But when bills providing for workmen's compensation legislation were introduced into the 1911 session of the legislature, the Association balked. When, in spite of Glenn's work among the legislators, the Assembly passed two acts in May,⁶² one providing for workmen's compensation, the other removing common law limitations upon employer liability, the Association sent a delegation of several hundred men to Springfield to protest against the governor's signature.⁶³ Deneen nevertheless signed the workmen's compensation act, though he vetoed the employer-liability statute.⁶⁴ The Association at first threatened to attack the constitutionality of the statute. In September, Attorney William Haynie instituted proceedings in the Circuit Court of Cook County directed against the constitutionality of the act. The case, however, was ultimately allowed to drop.⁶⁵

dent E. R. Wright of the Illinois State Federation, George Golden, Patrick Carr, M. J. Boyle, Daniel J. Gorman, and John Flora. Staley, op. cit., pp. 250-251.

⁶¹ Employers' Liability Commission of Illinois, Report (Springfield, 1910), pp. 12-13; Dodd, op. cit., pp. 61-62.

⁶² The compensation bill, which ultimately became law, was introduced into the senate on March 1st and passed, 41-0, on March 23rd. It passed the house by a vote of 35-1 on May 18th. See Journal of the Illinois Senate, 1911, p. 337; Journal of the Illinois House of Representatives, 1911, p. 1441.

⁶³ Illinois Manufacturers' Association, Annual Reports, 1911, p. 38; Chicago Tribune, May 28, 1911, p. 2. The Association characterized the bill as "ruinous," and Attorney Haynie denounced it as unconstitutional.

⁶⁴ Illinois Manufacturers' Association, Annual Reports, 1911, p. 37.

⁶⁵ Ibid., 1912, p. 5. In order to reduce the costs of workmen's compensation insurance, the Association in 1913, organized the Illinois Manufacturers' Mutual Casualty Association,

It was the defeat suffered in the enactment of the workmen's compensation law that finally inspired the Association to overhaul thoroughly its legislative machine. A committee led by L. C. Blanding of the Moline Plow Company was appointed in 1911 to make a preliminary investigation and study. These men were greatly impressed with the idea of securing the election of a legislature more friendly to business interests. With that idea in mind, they divided the state into districts, and in each established a committee of Association officials. It became the duty of these committees to interview all candidates for the legislature, to acquaint them with the work of the Association, and to assure themselves that the prospective legislator was an "acceptable" one for the interests represented by the Association. Positive recommendations were then made to the membership at large and members were expected vigorously to support those men recommended by the Association. The work of local committees was given exceedingly valuable assistance by Glenn, who furnished material upon the past legislative records of candidates, and from time to time made important men the subject of special bulletins to the membership. After 1916, it became customary to issue a comprehensive pamphlet before each general election, which summed up effectively the legislative and business record of every candidate for the Assembly. Shortly before election day, a series of plant meetings were instituted among member firms, in which an effort was made to make employees aware of the best men available for election.⁶⁶

Once the General Assembly was seated, the Legislative Bureau, directed by Glenn and his staff, took control. The Springfield office, open during the entire assembly session, watched all bills carefully as they moved forward to enactment. Its fundamental assumption was that all laws were inherently bad; the best that the Association might hope for would be the enact-

which continued in business until absorbed by the Lumberman's Mutual in 1933. See Illinois Manufacturers' Association, Annual Reports, 1912, p. 5; Ibid., 1913, pp. 139-140. It is the existence of this company which explains the Association's continued opposition to the demand of the State Federation for a state compensation insurance law.

⁶⁶ Illinois Manufacturers' Association, Annual Reports, 1911, pp. 38-41; Ibid., 1912, p. 17; Ibid., 1913, p. 6; Ibid., 1916, p. 63; Manufacturers' News, August 24, 1916, p. 7; Industry Review, April, 1936.

ment of as few statutes as possible.⁶⁷

There were several well developed expedients for the control of "objectionable" measures. All committee meetings were attended as a matter of routine, and it was usually possible to obtain a series of postponements which would have the ultimate effect of making enactment impossible.⁶⁸ If a bill seemed likely to pass, the membership was called upon, through legislative bulletins, to write or wire its objections to its representatives. In emergencies, large numbers of industrialists were assembled at Springfield, where they overwhelmed committees and legislators with their vociferous objections. These devices were in the main almost invariably successful, but if they were not, the Association could count upon the final press of business in the closing days of the session to dispose of "dangerous" measures.⁶⁹

Perhaps the best commentary upon the success of the Association's mechanisms for guarding itself against "unfriendly" legislation is the commentary that between 1911 and 1929 but one statute to which the Association had decided objections became law. All other "labor" and social reform bills were effectively disposed of. Thus, the women's eight-hour bill, for which the State Federation continued to fight, was introduced at every session of the legislature during this period. It many times secured a favorable preliminary vote in both houses of the Assembly; occasionally it passed one house or the other. But never, until 1937, did it receive the final stamp of approval of two chambers and go before the governor for signature.⁷⁰

⁶⁷ The blocking of legislation was, in fact, the measure of success or failure which the Association applied to its own efforts. See, for example, Illinois Manufacturers' Association, Annual Reports, 1915, pp. 35-36.

⁶⁸ On the intimacy and directness with which Glenn dealt with assemblymen at Springfield, see Proceedings of the Illinois Senate, 1915, pp. 734-745.

⁶⁹ For a good account of the bill-blocking tactics of organized minorities in the Illinois General Assembly, see Chicago City Club Bulletin, September 14, 1910, p. 337; on the Association's methods, see Chicago Tribune, March 31, 1915, p. 14; Illinois Manufacturers' Association, Annual Reports, 1908, pp. 64-65. Chicago Journal of Commerce, May 24, 1924, p. 1.

⁷⁰ In 1925, the Association checked the move for passage through a convention of manufacturers at Springfield, under the chairmanship of Charles Piez. The convention resolved that "relief

Workmen's compensation legislation was handled somewhat differently. Here the Association on occasion struck a bargain with the State Federation to adjust schedules of payment in a fashion acceptable to both parties.⁷¹ In this manner general increases in compensation levels were agreed upon in 1913, 1917, and 1923.⁷² Even in these instances, however, President John A. Walker of the State Federation was aware that without the Association's consent no program in the improvement of compensation schedules was possible.⁷³

Upon the subject of workmen's compensation the Association was "co-operative;" but in relation to the income tax it was absolutely intransigent. The attitude of the Illinois Manufacturers' Association had been made abundantly clear in 1909, when Congress enacted the first corporation income tax law. On that occasion the Association had been sufficiently aroused to send a delegation headed by LaVerne W. Noyes to Washington to offer their personal objections to President Taft,⁷⁴ and in January, 1910, it

for the industrial ills of woman does not lie along legislative channels," and it ascribed the current "industrial crisis" to "enforced readjustment to federal and state legislative changes." See Chicago Tribune, March 31, 1915, p. 13. Illinois State Federation of Labor, Thirty-Third Annual Proceedings (Chicago, 1915), pp. 98-99. In 1917, the Association succeeded in stopping passage of the act when as a last resort it consented to an act setting up a governor's commission, known as the Illinois Industrial Survey, to investigate the whole problem of the hours of labor of women in industry. The Association was represented on this commission by Milton S. Florsheim and P. C. Withers. The report of the survey was in favor of the passage of the act in the interests of women's health, but Florsheim and Withers dissented, and asserted that the survey's conclusions were "unproved." See Manufacturers' News, June 21, 1917, p. 6; State of Illinois, Report of the Illinois Industrial Survey (Springfield, 1918), pp. 13-14, 117-120; Illinois Manufacturers' Association, Annual Reports, 1917, p. 24.

⁷¹ Negotiations on behalf of the Association were usually conducted by Charles Piez.

⁷² Thus the 1915 compromise resulted in an agreed bill granting numerous minor extensions of payment; that of 1917 raised the minimum death claim from \$1,650 to \$1,750, and the minimum weekly disability payment from five dollars to six dollars. Other proportional adjustments were made. See Illinois Manufacturers' Association, Annual Reports, 1915, p. 60; Manufacturers' News, March 29, 1917, p. 6; Dodd, op. cit., pp. 46-47; Staley, op. cit., pp. 486-487.

⁷³ Illinois State Federation of Labor, Thirty-Ninth Annual Proceedings (Springfield, 1921), p. 317.

⁷⁴ Illinois Manufacturers' Association, Annual Reports,

supervised a protest convention in Chicago of several hundred industrialists from all over the nation.⁷⁵ But not until after the war, when the State Federation of Labor began to demand a state income tax, did the matter become a major issue between organized capital and labor in Illinois. When in 1920, organized labor attempted to write an income tax provision into the proposed new state constitution, Glenn sent Charles Piez before the Constitutional Convention to object. The latter denounced the tax as a misguided attempt at social reform and confiscatory in intent.⁷⁶ While the Association's efforts were not completely successful, the final draft of the new constitution carried an innocuous provision which was utterly unsatisfactory to organized labor,⁷⁷ and which was largely instrumental in bringing about the defeat of the constitution at the polls in December, 1922.⁷⁸ Other attempts at paving the way for an income tax law in Illinois were no more successful than this one. The work of Secretary Glenn and William Butterworth, of Deere and Company, was largely responsible for the downfall of the proposed amendment to legalize the income tax sub-

1910, p. 38.

⁷⁵ Illinois Manufacturers' Association, Corporation Tax Law Proceedings (Chicago, 1910); Illinois Manufacturers' Association, Bulletin: The Corporation Tax Law (Chicago, December, 1909). The Association was also active in the war-time business campaign directed against the excess profits tax. See Manufacturers' News, July 12, 1917, p. 12; Ibid., August 2, 1917, p. 13; Illinois Manufacturers' Association, Annual Reports, 1918, p. 135.

⁷⁶ State of Illinois, Proceedings of the Constitutional Convention of the State of Illinois (Springfield, 1922), pp. 151-152. The Association also was largely instrumental in the formation of the Illinois Tax-Payers' League, in April, 1922, to work against high taxation of Illinois industry. Manufacturers' News, April 13, 1922, p. 18.

⁷⁷ The constitution provided (section 142) that the "rate of tax" be uniform, and that if the tax be "graduated and progressive, the highest rate shall not exceed three times the lowest rate." (section 143). Minimum exemption from the tax was (section 145), but one thousand dollars. The tax thus would have fallen principally upon low income groups. State of Illinois, Proposed New Constitution for Illinois (Chicago, 1922).

⁷⁸ The State Federation objected to the income tax section because they felt it was weak. The Association opposed it because they were "in principle" against all income tax levies. See Staley, op. cit., pp. 446-448; Manufacturers' News, April 13, 1922, p. 18.

mitted in the fall of 1926.⁷⁹ Following this defeat a committee under Butterworth conducted a much publicized study of Illinois taxation. Its report, published in 1927, denounced the income tax as "social legislation," and insisted that the true solution to the Illinois revenue problem lay in a reform in state accounting and auditing systems, and the introduction of "business methods" in the administration of public funds.⁸⁰

In 1930, the General Assembly submitted an amendment similar to that of 1926. This Vice-President James L. Donnelly and his organization attacked as likely to "drive industry from Illinois," while President Theodore Gerlach condemned it on the grounds that it "delegated unlimited authority to a mere majority of the legislature. Largely because of the Association's opposition the amendment was defeated at the polls in November."⁸¹ In 1932, the Assembly nevertheless decided to ignore doubts of the constitutionality of an income tax law, and enacted a graduated levy, with schedules running up to six per cent. Donnelly immediately instructed David Clarke, attorney for the Association, to bring action in the courts against the constitutionality of the law. In the fall session, the Supreme Court declared the law "contrary to the provision that all property shall be taxed according to valuation," and also violated the Fourteenth Amendment to the Constitution of the United States.⁸²

The single notable legislative defeat suffered by the Association in its interminable "lobby war" with organized labor, was incurred in the battle over the anti-injunction law. Here,

⁷⁹ The proposal, which was in the form of amendments to sections 1, 3, 9, and 10 of article IX of the state constitution, would have legalized a graduated income tax without imposing any limitation upon the discretion of the legislature. See Illinois State Federation of Labor, Forty-Fourth Annual Proceedings (Springfield, 1926), p. 247. Secretary Glenn sent out thousands of bulletins in which the proposed amendment was condemned as "utterly bad." Manufacturers' News, August 1926, p. 18. The amendment was sought by organized labor, the State Bankers' Association, and the Illinois Association of State Realty Boards. Chicago Journal of Commerce, September 16, 1926, p. 1.

⁸⁰ Illinois Manufacturers' Association, Administration of Public Funds in Illinois (Chicago, 1927), pp. 1-17.

⁸¹ Manufacturers' News, August, 1930, p. 5; Ibid., October, 1930, p. 7; Industrial Review, October 10, 1930; Ibid., November 14, 1930; Ibid., February, 1931.

⁸² Industrial Review, August, 1932; Ibid., November, 1932.

also, the State Federation of Labor had in 1920, attempted to write into the new constitution a section outlawing the issuance by courts of equity of injunctions in labor disputes.⁸³ Piez, in his testimony before the convention, stamped this attempt as communistic, and an unwarranted attack upon property rights.⁸⁴ To the Association, the injunction was a great bulwark against the unlicensed assaults made upon the rights of property and the integrity of the independent worker against the encroachment of the labor union dictatorship. Piez' effort was completely successful, and the anti-injunction clause was killed.⁸⁵ The victory was, however, only a temporary one. An anti-injunction law very nearly passed the legislature in 1923, and in 1925, not all Glenn's desperate measures could prevent its passage.⁸⁶ The constitutionality of the new act was tested as a matter of course, but here again the Association met defeat, for the State Supreme Court ultimately held the law constitutional.

The Association, while it thus built up a machine for blocking all "undesirable" social legislation, developed an elaborate philosophy of society with which to explain its position to the public. Since it always insisted that in essence the Association was a public service organization, it must needs demonstrate that it acted in the public interest.⁸⁷

The central foundation of the Association's position was its faith in laissez faire. All social legislation was unnecessary since the self-interest of the businessman automatically eliminated evil practices from industry. All such laws were, moreover, a serious threat to the economic integrity of society,

⁸³ Staley, op. cit., p. 434.

⁸⁴ State of Illinois, Proceedings of the Constitutional Convention, pp. 942-945.

⁸⁵ The anti-injunction article was replaced by one which stated that "no law shall be passed denying the right of workmen to organize into trade and labor unions." State of Illinois, Journal of the Constitutional Convention of 1920 (Springfield, 1922), pp. 752-753.

⁸⁶ Manufacturers' News, March 14, 1925, p. 344; Ibid., March 21, 1925, p. 368; Ibid., May 23, 1925, p. 12; Ibid., June 6, 1925, p. 12; Illinois Manufacturers' Association, Annual Reports, 1925, p. 14.

⁸⁷ J. M. Glenn, Remarks at the Semi-Annual Conference of the National Industrial Council (Chicago, 1925).

since they usually interfered with profits and the free movement of goods, and thus threatened the main incentive of private enterprise to continued production.⁸⁸

This argument was then turned upon the labor union. Were it not for the vicious practices of the "labor union dictator" who lived by the fees he extorted from his hapless victim, the ignorant worker, most social legislation would never be proposed. It was the self-interest of these "leeches," in their search for issues to delude the laborer and the public, which kept "social reform" alive.⁸⁹ They were the more dangerous because of their ability to convince other misguided people of their integrity. The "half-baked" college professor, steeped in his doctrinaire theories of economics and sociology, the silly minister who believed that he could legislate God's kingdom onto the earth, the addle-brained women's club secretary with her feeble-minded interest in social welfare--these were the dupes of a cunning group of "racketeers," the labor union leaders.⁹⁰

To the argument that the union might through its bargaining power raise wages, the Association replied that wages were usually too high anyhow. High wages meant high industrial costs. High costs meant high prices, and high prices stifled demand and choked operation of the economic machine, while starving the poor through the increased cost of living.⁹¹ The Association pointed

⁸⁸ See the testimony of Glenn before the Senate Industrial Relations Commission, Senate Document, No. 415, 64th Congress, 1st Session, IV, 3296; Chicago Tribune, March 31, 1915, p. 15; Manufacturers' News, June 21, 1917, p. 6; Illinois Manufacturers' Association, Annual Reports, 1917, p. 24.

⁸⁹ Manufacturers' News, December 17, 1916, pp. 5-6; Industrial Relations Commission, op. cit., IV, 3303-3304.

⁹⁰ Editorial, "Social Uplifters and the Workingman," Manufacturers' News, July 11, 1918, p. 6. Dorr E. Felt, the author of this editorial, stated that "there is a marked similarity between the teachings of Trotsky and those of the average social worker." In an interview, Charles A. Livingston, publicity director of the Association, informed the present writer that he was afraid of university professors and university people as a class. "They are inclined to be radical and visionary. They have no actual understanding of the problems of industry. They live cloistered lives in an idealistic world, where their minds become easy prey to the foolish schemes of labor leaders and professional reformers."

⁹¹ Illinois Manufacturers' Association, Bulletin: How Sky-Rocketed Wages Affect the Cost of Living (Chicago, June, 1923);

to the Illinois coal mining industry, where for many years it campaigned for low wages. Here, the Association agreed, high pay schedules made it possible for the worker to live on the earnings of but one or two days a week. As a result, he quarreled, loafed, got drunk, refused to work regularly, and went on strike.⁹² Lower wages would mean steady employment, greater sobriety, and no strikes.

To support this theory, the Association campaigned for the repeal of the Illinois Miners' Qualification Law. This statute passed in 1914, at the insistence of organized labor required a two year apprenticeship before a man could be licensed by the state as a full-fledged miner. In it the Association perceived a union conspiracy to maintain wages upon an "artificial" level. When the great coal strike of 1922 culminated in the so-called "Herrin Massacres" in July, the Association called a convention of its members in Chicago, for the purpose of forcing repeal of the act. A committee from the convention called upon Governor Len Small in Chicago and demanded that he call a special session of the legislature to repeal the law. He refused, much to the disgust of the Association which thereafter looked upon Small as an enemy of the business interests.⁹³

It was obvious that labor difficulties and high wages might most easily be defeated by combating the "union dictator" in his attempts to establish the closed shop. While the Association since its inception had emphasized the virtues of the open shop,⁹⁴ it was not until 1920 that a concerted effort was made to

⁹² Illinois Manufacturers' Association, Annual Reports, 1923, pp. 31-32, presents a table of wage levels in various occupations, with the intention of showing that the earnings of coal miners, railway workers, and those engaged in the building trades were too high.

⁹³ A committee headed by William Butterworth in 1922, investigated the whole problem of miners' wages and concluded they were far too high, having "increased 105 per cent since 1914." Illinois Manufacturers' Association, Annual Reports, 1922, p. 31.

⁹⁴ Manufacturers' News, July 27, 1922, p. 10; Labor Review, August, 1922; Chicago Tribune, August 9, 1922, p. 1.

⁹⁴ Thus the Association had defended its part in the Kellogg and teamster strikes on the grounds that the strikes threatened the maintenance of the open shop. In 1916, Glenn contrasted the excellent industrial conditions prevailing in Detroit, an open shop city, with the evil state of affairs in San Francisco, a metropolis under the domination of the "union dictators." Manufac-

destroy the closed shop in American industry. The post-war atmosphere of super-patriotism and "red-baiting" was peculiarly favorable for such an attempt.⁹⁵ When the great steel strike of 1909, called in an effort to obtain union recognition, demonstrated the "intransigence" of organized labor,⁹⁶ the National Association of Manufacturers began a national "American Plan" campaign,⁹⁷ in which the Illinois Manufacturers' Association quickly came to play a leading role. President William Nelson Pelouze inaugurated the Illinois Manufacturers' Association open shop drive with a great assemblage of manufacturers from all over the middle-west, who came together at Chicago in October, 1920. These men pledged themselves to the defense of the "American Plan," as against the "socialistic" system of union domination.⁹⁸ During the next few months the Association flooded the middle-west with open shop literature, and inspired dozens of smaller open shop rallies in this area. A final large convention met in Chicago in January, 1921, in which thousands of leading industrialists from all over the country came together. Once more the philosophy of the open shop received a full airing.⁹⁹ While after this event the full tide of the anti-union movement receded somewhat, the Association never forgot that it had once done battle

turers' News, January 13, 1916, p. 15; Ibid., November 30, 1916, p. 6.

⁹⁵ On the war-time attitude of the Association toward the right to strike, see the address of Charles Piez before a group of ship-builders, in July 1918. Referring to a threatened walk-out of ship-builders he remarked that "the very fact that they threaten to strike is rotten." Manufacturers' News, July 18, 1918, p. 6.

⁹⁶ Commons and Associates, op. cit., IV, 489. On the Association's interference in South Chicago on behalf of the operators, see Illinois Manufacturers' Association, Annual Reports, 1918, p. 32.

⁹⁷ Sval Zimand, The Open Shop Drive (New York, 1922), pp. 5-20; Elbert Gary, "The Menace of the Closed Shop," American Industries (January, 1920), p. 14.

⁹⁸ Illinois Manufacturers' Association, Annual Reports, 1920, p. 12; Manufacturers' News, October 14, 1920, p. 7; Ibid., December 30, 1920, p. 9.

⁹⁹ Illinois Manufacturers' Association, Annual Reports, 1921, p. 30; Chicago Tribune, January 22, 1921, p. 6. On the general recognition of the Association's leadership in the open shop campaign see Indianapolis Association of Employers, Special Information Bulletin (October 25, 1920).

for the "American way of life," and its animus against organized labor and the closed shop appeared again and again in the legislative battles of the 1920's.

This crusade in defence of the "American Way" and the attack upon the labor union experienced a powerful revival in the years of the Great Depression. The manufacturers of Illinois had not expected that catastrophe. When the stock market first crashed, the Association hastened to assure its constituents and the public that the "business situation" was "essentially sound."¹⁰⁰ Even as the shadows of economic disintegration deepened, Vice-President Donnelly and his colleagues declared again and again that economic recovery was a mere matter of the moment. Not until 1933 did it become genuinely concerned about the imminence of revival.¹⁰¹

As for the causes of the depression, the Association considered them to be two-fold. One explanation lay in the "ruinous increase" in the expenditures of local, state and national governments. The burden of taxation imposed by extravagant bureaucracy had absorbed profits, destroyed private enterprise, lowered wages, and so precipitated the depression.¹⁰² Closely related to this explanation was that of the "growth of Socialism," or "government in business." Here the Association believed that the competition offered by government subsidized industries had driven many private concerns into bankruptcy. It also insisted that all state enterprise was inherently extravagant, corrupt and inefficient. Resultant losses had to be met from the purse of the public treasury, with the consequence that a burden of increased taxation fell upon the unfortunate industrialist who was obliged to pay the piper for the short-sightedness of the very business that ruined him.¹⁰³

¹⁰⁰ New York Times, November 19, 1929, p. 2.

¹⁰¹ Ibid., November 30, 1929, p. 16; Industrial Review, January 10, 1930; Ibid., July 3, 1930; Ibid., September, 1930; Ibid., January 13, 1931.

¹⁰² Manufacturers' News, December, 1930, p. 19; Ibid., December, 1931, p. 20.

¹⁰³ The "menace" of government in industry had for some years been an especial interest of the Association. See Review for Executives, January, 1926; Ibid., April, 1926; Industrial Review, September 1, 1928; Ibid., March 14, 1931; Illinois Manufacturers' Association, Annual Reports, 1929, p. 5; Ibid., 1932,

The activities of the Association during the early years of the depression were largely conditioned by this set of attitudes. As might be expected, it opposed all increases in taxation. It was upon this ground that Donnelly, assisted by Theodore R. Gerlach, Thomas F. Hammond, Ray Wantz, and their associates, led the successful attack upon the state income tax amendment of 1930 and the income tax statute of 1932.¹⁰⁴ The Association had its own remedy for the Illinois financial crisis, the cessation of wasteful governmental extravagance. In 1932 and 1933, it again caused the introduction in the General Assembly of a number of bills calculated to reform the accounting and bookkeeping systems of local and state financial officials, but further than this it was not prepared to go.¹⁰⁵

The same antagonism to taxation and "extravagance" explains the campaign the Association waged in 1932 in co-operation with the National Association of Manufacturers against proposed changes in the federal tax structure. In January, the Ways and Means Committee of the House of Representatives had under consideration a bill which would have imposed a manufacturers' sales tax of two per cent, and increased the corporate income tax to fourteen per cent. In response to this measure Donnelly appeared before the committee on January 26th, and warned them that "unless real economy and deflation in expenditures was undertaken immediately . . . the present industrial crisis would be rendered more acute." In April, he told a House subcommittee that proposed federal grants for unemployment relief were unnecessary, "would discourage local relief," would "increase unemployment," and "stifle individual initiative."¹⁰⁶

Meantime, in March, the Association under the leadership of President Samuel M. Hastings and William Butterworth, had

p. 5; Manufacturers' News, August, 1929, p. 29; Edward N. Hurley, of the Hurley Machine Company and for many years a principal official of the Association, was the outstanding figure in the Association's defense of private industry against governmental encroachment.

¹⁰⁴ Industrial Review, October 10, 1930; Ibid., February, 1931; Ibid., August, 1932; Ibid., November, 1932; Manufacturers' News, August, 1930, p. 5; Ibid., November, 1930, p. 7; Ibid., December, 1932, p. 33.

¹⁰⁵ Manufacturers' News, June, 1933, p. 16.

¹⁰⁶ Industrial Review, February, 1932; Manufacturers' News, December, 1932, p. 15.

launched a national campaign for the reduction of taxation and governmental expenditures. A huge mass meeting at the Union League Club in Chicago on March 10th was participated in by several thousand manufacturers of the middle-west.¹⁰⁷ The Association followed up this opening by sending out thousands of bulletins and pamphlets setting forth that "public expenditures of all kinds had assumed the proportions of a national menace." In August, Donnelly, Butterworth, and Hastings were made members of a committee set up by the National Association of Manufacturers to fight for a reduction in governmental expenditures. During the next few months this body carried on with unabated vigor the work which the Association had begun.¹⁰⁸

Curiously enough, the Association viewed the election of Franklin D. Roosevelt to the presidency with some approbation, principally because of the economy planks in the Democratic platform.¹⁰⁹ It approved also, of the initial drive for a reduction in national expenditures which Roosevelt launched soon after taking office.¹¹⁰ But Donnelly and his associates soon had cause to regret their initial enthusiasm for the New Deal. Before many months had passed, the Association was involved in a new and determined defense of the "American Way" against Washington "regimentation" and "labor union dictators."

The first inkling that all was not moving in accordance with the Association's preconceived notions of how recovery should be effected came in April, 1933, when the new Tennessee Valley program was launched. This Donnelly immediately attacked as "a menace to Illinois industry" and a move to "destroy the value of \$400,000,000 in securities" of power companies in the middle-west.¹¹¹

But the T.V.A., the Association found, was a mere begin-

¹⁰⁷ Industrial Review, April, 1932.

¹⁰⁸ Manufacturers' News, December, 1932, p. 17.

¹⁰⁹ In June, President Samuel M. Hastings appeared before the Resolutions Committees of both the Republican and Democratic parties, on behalf of economy planks in the party platforms. Industrial Review, August, 1932.

¹¹⁰ Manufacturers' News, April, 1933, p. 6.

¹¹¹ Illinois Manufacturers' Association, Special Bulletin: Muscle Shoals Bills (Chicago, April 20, 1933).

ning. The National Recovery Act, under consideration by Congress in May, Donnelly found thoroughly obnoxious. Section 7(A) of the bill seemed to guarantee to labor the right of collective bargaining and possibly to legalize the closed shop. The danger was considered so great that Ray Wantz, now president of the Illinois Manufacturers' Association, spent most of his time in Washington while the act was in committee, working in co-operation with the National Association of Manufacturers "in an effort to moderate the labor provisions." Meanwhile the Association's membership bombarded committees of Congress with protests against the bill. As the act reached Conference Committee in Congress, Donnelly wired President Roosevelt that Illinois industry would "not voluntarily submit to labor provisions of Section Seven (A)," as it then stood.¹¹²

When the act became law, however, the Association took a new tack. Acting under advice of his attorney, David Clarke, Donnelly asserted that the act did not warrant either the closed shop, collective bargaining, or labor union activities. He advised the membership to "decide finally and definitely that you are going to run your own plant." He suggested further that manufacturers resort to "individual contracts with employes," in an effort to protect themselves against the activities of labor union agents.¹¹³ This recommendation was followed a few months later with the opinion that the "majority rule" principle of labor union recognition promulgated by the National Labor Board was "illegal and not enforceable" and would "promote industrial strife."¹¹⁴

The Association had by the end of 1934 concluded that Section 7(A) had "resulted in untold suffering by workingmen and their families, and in tens of millions of dollars of loss to employes and employers."¹¹⁵ Wantz recommended the total repeal

¹¹² Manufacturers' News, August, 1933, p. 9.

¹¹³ Industrial Review, September, 1933. This Association in November protested to Harry L. Hopkins and the Illinois Emergency Relief Commission against the practice of granting relief to strikers. Industrial Review, November, 1933. See also New York Times, September 1, 1934, p. 1 for a second similar protest by the Association to Hopkins.

¹¹⁴ Illinois Manufacturers' Association, NRA Bulletin No. 20 (Chicago, September 5, 1934); Industrial Review, October, 1934; Ibid., December, 1934.

¹¹⁵ Industrial Review, October, 1934.

of the National Recovery Act and the passage of a law which would limit seriously the right to strike. He suggested as a model the British Trades Dispute Act of 1926, which, he said, would "safe-guard the country against the irresponsible abuse of the privilege of collective bargaining."¹¹⁶

Needless to say, the Association rejoiced when the Supreme Court in May, 1935, declared the National Recovery Act unconstitutional. It had long hinted at such an outcome, in the belief that the entire act was an unwarranted intrusion upon the rights of the states.¹¹⁷

Unfortunately for the Association's ambitions, the N.R.A. did not spell the end of the "socialistic" attacks upon the American way of life. Between 1934 and 1937, the Association struck right and left against "regimentation, socialism, dictatorship, and the invasion of the rights of the states," on behalf of the "Preservation of the American System." In December, 1933, Donnelly appeared before senate and house committees in protest against the Tugwell Food and Drug Bill, a measure which he condemned as "dictatorial regulation."¹¹⁸ In October, 1934, Donnelly and President Wantz initiated "a nation-wide protest" against the "increasing inroads made by the United States and State governments in private business," which, Wantz asserted, were a "drag upon recovery" and jeopardized the "American citizen's inherent right to hold private property."¹¹⁹ This opening Wantz followed up in his December presidential address, when he attacked "economic Nihilism," which in effect proposed that "capital pley nursemaid to an incipient socialism."¹²⁰ In March, 1935, Donnelly

¹¹⁶ Ibid., October, 1934.

¹¹⁷ New York Times, March 13, 1935, p. 5; Industrial Review, May, 1935. When the Supreme Court's decision became known, Donnelly immediately moved, through Representative Elmer J. Schnackenberg, to secure the repeal of the state NRA Act. Industrial Review, May, 1935.

¹¹⁸ Chicago Tribune, December 13, 1933, p. 3. This protest was repeated in July, 1934.

¹¹⁹ New York Times, October 4, 1934, p. 42.

¹²⁰ Industrial Review, December, 1934. It was the opinion of Wantz and other Association officials that the failure of the Roosevelt administration to "clarify its policies" with reference to continued governmental interference with business was a principal cause of the "lag in durable goods" and the prolongation of the depression." See the telegram to Secretary of Commerce Roper, in Industrial Review, October, 1934.

launched a stinging shaft against the Wheeler-Rayburn Bill, which he condemned as "worse than government ownership."¹²¹ A day later the directors issued a resolution directed against the Guffey Coal Bill, which, they said, "would constitute the nationalization of the coal industry." The "natural outcome of this would be to extend such nationalization to other industries."¹²² The extension or amendment of the Agricultural Adjustment Act was condemned in much the same terms. It would, Donnelly said, "give the Secretary of Agriculture a virtual dictatorship over all industries handling agricultural products."¹²³

In the eyes of the Association, these measures considered as a whole constituted a concerted attack upon the American system of government and the American institution of private property, which it was determined to resist with every means at its disposal. It was its conviction that Congress might better concern itself with some plan "for suppressing Communistic and other subversive propaganda," and in accordance with this view it recommended in May, 1935, the adoption of a "rigid anti-sedition law."¹²⁴ The Association also rallied all its members to the support of Constitution Day in October, in the belief that the constitution was the chief guarantee against "the tyranny of dictatorship."¹²⁵ In December, the Association co-operated with a large number of State and National Manufacturers' Associations in a Congress of American Industry in New York. This body condemned "blind experimentation and hasty legislation which undermines the American system."¹²⁶ A few days later, the Association heard with approval an address of Frank T. Weir, of the National Steel Corporation, in which he indicated that America's choice lay between "freedom

¹²¹ Illinois Manufacturers' Association, Bulletin: The Wheeler-Rayburn Bill (Chicago, March 20, 1935); Industrial Review, May, 1935.

¹²² Illinois Manufacturers' Association, Bulletin: Guffey Coal Bill (March 21, 1935); Manufacturers' News, January, 1936, pp. 13, 22-23.

¹²³ Illinois Manufacturers' Association, A Drastic Proposal (Chicago, February 27, 1935); Manufacturers' News, January, 1936, p. 18.

¹²⁴ Industrial Review, May, 1935.

¹²⁵ Manufacturers' News, January, 1936, p. 56.

¹²⁶ Industrial Review, January, 1936.

or autocracy," and pointed out "the grave dangers to private enterprise and the future welfare of the United States that now exist in many of the present tendencies of our federal government."¹²⁷

Resolutions and statements of this variety if anything increased in number and strength during 1936. Sterling Morton, prominent Association director, in January, saw fit to remark in an Association address that "so-called planned economy was nothing but collectivism, Fascism, Socialism, Naziism, or Communism--all members of the same family."¹²⁸ In April, a delegation of twenty principal Association members, headed by Wantz, attended the annual convention of the Chamber of Commerce of the United States. Here the Association was instrumental in the adoption of a "strong position in opposition to government control of the means of production."¹²⁹ In the months before the election of November, 1936, the Association, acting through Manufacturers' News, prepared bulletins for distribution to employees of Illinois industries in order that they might understand the "true issues of the election" and lend their support to a defense of the "American Way."¹³⁰

But it was the attempts made between 1935 and 1937 to revive those features of the NRA relating to labor which most thoroughly aroused the ire of the Association. Even as it rejoiced in the destruction of the Recovery Act, the Wagner Labor Relations bill moved forward to completion. This measure, which proposed the establishment of a Labor Relations Board to settle labor disputes, and which imposed majority rule collective bargaining upon industry, the Association regarded as "a vicious attempt to create a Labor Union Dictatorship over American Industry."¹³¹ On March 28th, James D. Cunningham, former Association president, appeared before the Senate Committee on Education and Labor to testify against the bill. Passage of this law would, he argued, "force the closed shops on employers," "place a premium on strikes," and "unionize American industry."¹³² When, in spite of this opposi-

¹²⁷ Ibid., January, 1936. ¹²⁸ Ibid., February, 1936.

¹²⁹ Manufacturers' News, January, 1937, p. 6.

¹³⁰ Ibid., August, 1936, p. 5.

¹³¹ Ibid., January, 1936, p. 20.

¹³² Illinois Manufacturers' Association, A Critical Situation (Chicago, August 16, 1935); Illinois Manufacturers' Association, Wagner Organized Labor Domination Bill (Chicago, June 4, 1936).

tion the bill moved forward toward enactment, Donnelly called upon the membership to swamp the Illinois delegation with protests against the "Wagner Organized Labor Domination Bill."¹³³ The passage of the act in June, Donnelly and Wantz regarded as nothing less than a tragedy. They were consoled somewhat, however, with the opinion of Clarke that the law was unconstitutional. The Association consequently advised its members to disregard the provisions of the law and it continued to take this position until the statute was finally upheld by the United States Supreme Court in 1937. Even after this decision, Donnelly advised the membership that the law did not make either the closed shop or collective bargaining with an outside union mandatory for employers.¹³⁴

Intimately tied up with the protest against the Wagner Act was the resistance of the Association to the Black Thirty Hour Week Bill, introduced into Congress in 1935.¹³⁵ In February of that year, John Harrington, of Fyffe and Clarke, Association Counsel, appeared before a subcommittee of the Senate Judiciary Committee, in opposition to the proposal. He declared that the bill, if enacted, "would increase the cost of manufacture from eighteen to fifty per cent," a burden which would "in the end fall upon consumers."¹³⁶ The bill did not become law at this session,

¹³³ Illinois Manufacturers' Association, Wagner Labor Act (Bulletin No. 1) (Chicago, July 6, 1935); Illinois Manufacturers' Association, Wagner Labor Act (Bulletin No. 2) (Chicago, July 20, 1935).

¹³⁴ Illinois Manufacturers' Association, National Labor Relations Act (Chicago, April 19, 1937). In the opinion of Donnelly and B. C. Heacock, president of the Association in 1937, the epidemic of sit-down strikes was a direct outgrowth of the opportunity fermented by the Wagner Act to "labor union dictators," and they advised their members to resist to the utmost an "unlawful intrusion upon the rights of private property" and "an invasion of the rights of the individual worker." See Illinois Manufacturers' Association, Legal Aspects of the Sit-Down Strike in Illinois (Chicago, February 16, 1937); Illinois Manufacturers' Association, Some Practical Aspects of Current Labor Relations Problems (Chicago, March 15, 1937). The Association recommended as a model the tactics by which the Caterpillar Tractor Company, of which Heacock was president, had broken a strike for union recognition at Peoria in May, 1937. See Manufacturers' News, June, 1937, p. 16.

¹³⁵ Similar measures had been introduced in 1933, against which the Association had testified. See Chicago Journal of Commerce, January 24, 1933, p. 3.

¹³⁶ Industrial Review, May, 1935.

but was again offered in 1936. Again the Association attacked it through resolutions and protests to the Illinois delegation in Congress.¹³⁷ In June, 1937, when the act very nearly passed, the Association attacked the measure as "delusive and destructive," and once more sent Harrington to testify before senate and house committees on behalf of the membership. Here Harrington condemned the bill as calculated "not to decrease unemployment but to freeze employment," and as leading toward "the complete disappearance of an independent American industry."¹³⁸ Donnelly viewed the defeat of this bill as a major victory for his organization.

Meanwhile the Association had been all but swamped in its efforts to prevent the passage of a flood of social legislation in Illinois. That old enemy, the women's eight-hour bill, was submitted as usual at every legislative session and it year by year became more difficult to dispose of it.¹³⁹ In 1937, in spite of all the Association's efforts, the proponents of the law were successful. When the bill was reported favorably from the Senate Committee on Public Welfare in March, the Association attacked it as a law "for which there is no practical necessity," and "simply a professional labor leader issue."¹⁴⁰ In an effort to avert passage, the Association sent its members en masse before committees. Female employees were brought to Springfield to testify that they did not want the law.¹⁴¹ But the old devices had lost

¹³⁷ Illinois Manufacturers' Association, Government Control over Wages, Hours, and other Conditions of Employment (Chicago, June 11, 1936); Manufacturers' News, January, 1937, p. 23.

¹³⁸ Industrial Review, June, 1937; Illinois Manufacturers' Association, Black-Connery Federal Wage and Hours Bill (Chicago, August 4, 1937). The 1937 bill differed from earlier proposals in that it did not fix any rigid system of hours, but created a Labor Standards Board, with the power to establish hour standards for different industries.

¹³⁹ Thus in 1931 the bill passed the senate, 27-11, but was tabled in the house; in 1935 it passed the house but was tabled in the senate. See Journal of the Illinois Senate, 1931, p. 1056; Journal of the Illinois House, 1935, p. 1557. The Association itself recognized the danger of defeating the measure. See Industrial Review, March 14, 1931; Ibid., February, 1935.

¹⁴⁰ Illinois Manufacturers' Association, Labor Bills Being Rushed to Passage Stage in State Senate (Chicago, March 18, 1937).

¹⁴¹ Weekly Legislative Review, April 23, 1937; Ibid., May 6, 1937; Ibid., May 13, 1937; Ibid., May 28, 1937; Ibid., June 4, 1937.

their charm, and the act was written into the statute books in June.¹⁴²

The Association suffered a second and even more serious defeat at this same session of the General Assembly in the passage of a State Social Security Law. As a matter of course the Association in 1935 had campaigned against the enactment of the Federal Social Security Act,¹⁴³ and when in spite of its efforts the law was passed, it sought to prevent, as far as possible, the extension of its operation to Illinois. Since the federal statute provided for payment into the state treasuries of ninety per cent of the employers' tax provided the state enacted a suitable unemployment insurance law before June, 1937, it appeared imperative that immediate action be taken by the Assembly. For this purpose, Governor Henry Horner called a special session of the legislature in November to consider passage of suitable state compensation laws.¹⁴⁴ In accordance with the governor's request, an unemployment insurance bill was prepared and introduced in the two chambers.¹⁴⁵

Donnelly and his associates, however, took the position that the federal statute was unconstitutional, and would present-

¹⁴² Chicago Tribune, June 27, 1937, p. 12. Passage was regarded as a great victory for organized labor in Illinois.

¹⁴³ The Association had opposed passage of the federal statute on the grounds of unemployment insurance would not prevent unemployment but would rather increase it, and would impose a terrific tax burden upon the industrialists of the nation. See Industrial Review, February, 1935; Manufacturers' News, January, 1936, p. 20; Illinois Manufacturers' Association, Federal Social Security Bill (Chicago, May 6, 1935).

¹⁴⁴ Journal of the Illinois Senate, First Special Session, 1935-1936, p. 11.

¹⁴⁵ The principal features of this bill were (1) an unemployment tax upon employers of eight or more persons (employers of agricultural labor, domestic service, government service, workers in religious, charitable, and educational institutions, etc., being exempted). (2) The tax amounted to one per cent of the employer's payroll for 1936, two per cent for 1937, and three per cent in all subsequent years. (3) Employees were to contribute one-fourth of one per cent of their annual wages in 1936 and 1937, and one-half of one per cent in 1938 and thereafter. (4) Benefits for eligible employees were payable at a rate not less than \$5 nor more than \$15 per week, in the ratio of one week's benefit for every four weeks of unemployment. See Ibid., p. 11; Weekly News Letter, November 9, 1935; Industrial Review, January, 1936.

ly be so declared by the Supreme Court. In the meantime it was supremely important, they felt, that Illinois refrain from writing into the statute books legislation fastening an "unprecedented burden" of taxation upon the industries of the state, which would probably remain after the federal statute had been destroyed.¹⁴⁶ The argument was successful for the time, and the Assembly adjourned without taking any action.¹⁴⁷

When the legislature convened again in 1937, Donnelly renewed the attack.¹⁴⁸ But in May came the decision of the court holding the Federal statute constitutional, and the Association's arguments collapsed.¹⁴⁹ It henceforth confined itself to a defense of the "individual employer's fund" plan, which allowed the employer a rebate if his record was sufficiently satisfactory.¹⁵⁰ In this respect it was successful, for the act passed in June, provided for a pool type fund but nevertheless recognized individual employer records.¹⁵¹

It should at once be obvious to any student that the history of social legislation in Illinois cannot possibly be written without taking into detailed consideration the activities of the Illinois Manufacturers' Association. The story of the conflict

¹⁴⁶ Manufacturers' News, January, 1937, p. 51; Illinois Manufacturers' Association, How Unemployment Insurance Legislation Would Affect the General Public, the Farmer, the Wage Earner, the Employer. (Chicago, November 7, 1936).

¹⁴⁷ Industrial Review, April, 1936.

¹⁴⁸ The 1937 bill imposed a maximum of 3.8 per cent upon employers, and provided for a poll fund, with no premium to employers of good record. It was this provision, more than any other, to which the Association objected. See Weekly Legislative Review, May 6, 1937; Ibid., May 13, 1937.

¹⁴⁹ "The Association itself recognised that the action of the United States Supreme Court in upholding the unemployment insurance provisions of the Federal Social Security Act apparently makes state legislation in Illinois on this subject inevitable." Weekly Legislative Review, June 4, 1937.

¹⁵⁰ The Association succeeded in having a merit rating provision included in the Senate bill, though not before it had overcome resistance from organized labor. Illinois Manufacturers' Association, Labor Leaders Make Plans to Destroy Merit Rating. (Chicago, June 4, 1937).

¹⁵¹ Chicago Tribune, June 17, 1937, p. 14; Ibid., June 18, 1937, p. 5; Ibid., June 29, 1937, p. 3; Illinois Manufacturers' Association, Illinois Unemployment Compensation Insurance Act. (Chicago, July, 1937).

between the Association and the State Federation of Labor throws a flood of light upon the very realistic processes by which legislation is made and unmade. No student of the processes of democratic government can fail to conclude that the real fate of social reform in the General Assembly lies in the balance of power between organized capital and organized labor.

Since this is true, it becomes of the utmost importance for an understanding of democratic government to grasp not only the methods of organized minority pressure groups, but their attitudes and philosophy of society as well. Without such insight any legislative history must be only the bare bones of parliamentary procedure and recorded statutes. With it, a very real struggle between conflicting economic and social interests takes on the flesh and blood of reality, and the true relationships between government and society at large become apparent.

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